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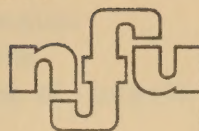
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Region 3

FG-57 Submission

to the




Government of Ontario

[by the] National  
Farmers Union

presented at

Toronto, Ontario

June 7, 1973



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National Farmers Union  
Region 3  
Submission  
to the  
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Toronto, Ontario, June 7, 1973

INTRODUCTION

1. We appreciate this opportunity of meeting your government for the purpose of discussing general problems facing farmers and recommending solutions.
2. The production of food is an important contributor to the economy of Ontario. In 1972 farm cash income earned by Ontario farmers was \$1,556,040,000, or an average of \$16,427 in value of sales of farm products for each of the 94,722 census farms reported in 1971.
3. But the earning of farm cash income which is used basically to purchase farm inputs and is spent in the general consumer market, is less significant than the beneficial effect accruing to the balance of the economy within the province as a consequence of the employment and profits food production creates within the processing and related service sectors.
4. It is in this total context that Ontario farm produce contributes an estimated \$6.2 billion to the general economy of the province.
5. Indeed the Agricultural Economics Research Council of Canada has estimated that agriculture and the food system contributes 42% to the Gross National Product of Canada and in Ontario, 41% of GNP is related to the production of food.
6. Interpreting the importance of primary food production to the economy in another way, the federal Department of Consumer and Corporate Affairs recently released statistics to the House of Commons Special Committee on Trends in Food Prices indicating that in 1949 farmers received 60% of the retail dollar spent on

## INTRODUCTION

1. We appreciate this opportunity of meeting your Government for the purpose of discussing general problems facing farmers and recommending solutions.
2. The production of food is an important contributor to the economy of Ontario. In 1977 farm cash income earned by Ontario farmers was \$1,554,046,000, or an average of \$16,457 in value of farm products for each of the 94,733 farms farms reported in 1977.
3. But the earning of farm cash income which is used mainly to purchase farm inputs and to cover the general expenses of the farm, is not sufficient to provide a beneficial effect according to the balance of the economy within the province as a consequence of the employment and profits lost production areas within the processing and related service sectors.
4. It is the total cost of Ontario farm products which is a significant factor in the general economy of the province.
5. Indeed the Agricultural Economics Research Council of Canada has estimated that agriculture and the food system contributes 15% to the Gross Regional Product of Canada and in Ontario, 15% of GNP is related to the production of food.
6. This points the importance of primary food production to our economy in another way, the federal government of Canada and the provinces (which recently released a study to the House of Commons Special Committee on Trade in Food and Agriculture) in 1977 farmers received 15% of the total dollar spent on



food. In 1971 the farmer's share of the retail dollar had declined to 37%, indicating that farm income margins have shrunk considerably while expanding rewards have accrued to the processing, distribution, wholesaling and retail levels. This illustrates that improvements in farm productivity levels largely benefit the industrial sector of agriculture.

7. As an organization of farmers we are increasingly aware of the economic pressures which confront farmers in costs of production. One of the effects of rising costs can be evaluated in the rate of decline in farm population.

8. Farm population in Ontario declined by 13.8% in the period 1966 to 1971 as the number of census farms dropped from 109,887 to 94,722.

9. In the economic class of farms with annual farm product sales of \$2500 or more, Ontario had over 5,000 fewer such farm units in 1971 than in 1966; the number having declined from 70,724 to 65,667.

10. The age level of farmers is also relevant in a discussion on the state of farming. The predominant age grouping of farmers in this province was between 45 and 54 in 1971. It must be noted, however, that the age class under 35 years reported 7,760 fewer farmers than the over-60 age group, which indicates there fewer farmers entering agriculture than there are farmers eligible for retirement. This reflects the extremely high cost of young farmers becoming established in farming and the lack of adequate public policy to assure that this country will continue to have a viable farm industry. It can, under these circumstances, be predicted that the number of farms will continue to decline in the next decade.

11. As an organization with members in most provinces of Canada, we have become increasingly conscious of the growing attention provinces are extending toward expansion of farm production.





12. We believe that all too often encouragement of production is taken out of context of national implications and is chiefly motivated toward the employment it is able to generate in the industrial and business community rather than out of genuine and prime concern for improving the social and economic viability of farmers.

13. A comprehensive national farm policy with explicit social and economic goals for farmers is still lacking in Canada. It nonetheless continues to be a matter of major concern to the National Farmers Union and is a problem which must be resolved if farmers are to gain a reasonable degree of security for the future.

14. But the future state of farming and the agricultural industry in this province can be evaluated from another perspective as well.

15. Ontario is the most industrialized province in Canada and pressures on urban and industrial expansion can be measured by the demand for farm land. In the 5-year census period 1966-1971, this province reported a decline of 5,821,740 acres of farm land, of which amount 5,098,455 acres were classed as "improved".

16. The long-range loss of annual potential GNP for the province of this amount of land being removed from food production holds serious implications for the future. Are we as a province and a nation not following an extremely abusive and short-sighted policy in long-range planning and priorities?

17. In evaluating these implications one must bear in mind that the Grand Trunk Corridor extending the breadth of southern Ontario and on to Quebec City encompasses the most highly productive and intensified agricultural land of our entire country and also has 60% of the nation's population and 80% of the industrial activity.

18. The choice of future preservation of land for agricultural use is falling by





default to land speculators, urban and industrial expansion in the absence of public policy.

19. We urge immediate attention toward researching the facts and correcting this deplorable and unchallenged drift which permits the continued desecration and waste of farm land.

20. We are aware that your government has recently appointed an Advisory Committee to study and make recommendations on Farm Classification in an attempt to determine how various classifications of farm land apply "to Ontario's legislation affecting farms or farm operations in Ontario." In our view the whole area of future land ownership and use needs to be examined. In the meanwhile a complete freeze on the sale of further farm lands should be implemented to avoid a speculators' rush to acquire further property.

#### NEED FOR COLLECTIVE BARGAINING

21. The National Farmers Union is a voluntary dues-paying organization of grassroots farm people. The concerns described are among the motivating factors on which farmers are encouraged to become organized.

22. One of the greatest problems confronting farmers today is the vast multitude of small commodity organizations in our society, all of which endeavor to represent farmers along specialized commodity interests but which in reality fragment farm opinion and cause internal strife.

23. Our observations and experiences have led us to conclude that federations of farm commodity groups are ineffective institutions in drawing together comprehensive global unified positions on many basic socio-economic policy issues, usually resulting in compromises that are ineffective in adequately dealing with problems in a rational manner. Alternately, such autonomous member





organizations maintain their independent policy positions and often advocate policies contrary to the majority views of other member organizations.

24. We have concluded that because special commodity groups often tend to protect their vested interest positions without regard to the effect of their narrowly based policies on their fellow farmers, the exploitive nature of free enterprise capitalism continues to be applied to farm production although all other industries appear to have come to terms with the profit-destroying nature of unbridled competition.

25. Our approach to the development of farm policy is based on the belief that if given an opportunity to confront one another as farmers, and given the knowledge that flows from understanding one another's basic problems, farmers can, in fact, rationalize their personal conflicts of interest and develop policy which enables them to live in harmony with one another rather than off one another.

26. The goal of the National Farmers Union then is to unify farmers for the purpose of developing common objectives in farm policies in order that farmers may, for the first time, focus on causes rather than symptoms of their socio-economic problems and achieve an effective countervailing power to the exploitive nature of the present farm market system. We do not at this time have in this country a public policy that is sympathetic to a process whereby an equitable distribution of income based on productivity can take place.

27. While there are a few exceptions in Canada, on the whole farm products marketing boards and commissions have basically failed in altering the traditional auction concept in the pricing of farm products. Within the framework of an administered price structure for all farm inputs, this is a highly unsatisfactory situation.





28. We visualize that the income needs of farmers can only be achieved through a procedure of negotiations on a basis of equality with the buyers of farm products and government-appointed commissions who will enforce the terms and conditions of trade agreed upon with farmers through a collective bargaining process. Similarly the sellers of farm input requirements would, through collective bargaining procedure, be involved in a process which will encourage greater price competition.

29. Our Third Annual Convention adopted the principle of seeking from all provincial governments the enactment of permissive legislation which would recognize the National Farmers Union as a certified collective bargaining agent for farmers at such time as it could submit proof of claim that it represents over 50% of farmers in the province with the objective of integrating the bargaining power of farmers on a national basis.

30. We believe this is an extremely fair proposal to put forward to all provincial governments as it would provide for farmers as a group a right which has long ago been recognized in all other occupational and professional groups.

31. We request your government introduce and enact such permissive legislation at the next session of the provincial Legislature.

32. Such a measure would be consistent with the progressive legislation your government has, over the years, provided for industrial workers in the Province of Ontario.

#### NATIONAL GRAINS POLICY

##### Grains Used for Feed

33. Canada continues to lack a national integrated grains policy approach based on equity between the producers of grain and the end users of grain on the domestic market.





34. While the grain situation in respect to markets and price is the best it has been for many years, farmers are not unaware that the situation will not necessarily remain so indefinitely. They realize their vulnerability to rapid change in inventory positions and rising costs and are concerned over the future.

35. In the view of NFU members across Canada, the realization of equity for farmers will only be achieved through the expansion and refinement of an integrated orderly marketing system.

36. In his address to the Canadian Federation of Agriculture meeting in Ottawa, February 7, 1973, the Honourable Otto Lang, Minister Responsible for the Canadian Wheat Board, made reference to:

"...the removal of present restrictions on the interprovincial movement of grain."

37. This sounds suspiciously like a move toward dismantling the orderly marketing system of the Canadian Wheat Board and regressing to an open market system in the marketing of feed grains on the domestic market.

38. It is generally conceded that removal of regulations as they apply to interprovincial movement of grains used for feed within the Canadian Wheat Board designated area would represent the first step toward total restoration of open market pricing for all domestic feed grain sales.

39. In our view the users of western feed grain in eastern Canada could only stand to lose by such an arrangement. Orderly marketing has the characteristic of providing a stabilizing effect on market prices for both the producer and consumer. This stabilizing effect could be extended to producers of Ontario and other eastern provinces if the jurisdiction of the present Canadian Wheat Board was expanded to permit it to function as a Canadian Grains Board which would allow proper price relationships between regions to be established and bring under



control the damaging effect of an open marketing structure and U.S. imports.

40. If regression to an open market system in domestic sales of western feed grains is indeed a proper interpretation of the Minister's intent or the intent of some of the provinces, we believe such an act encouraging boom and bust farm marketing would fly in the teeth of the wishes of the vast majority of grain producers in Canada. Furthermore we believe grain and livestock producers in this province will suffer long-range price damage which will result from unfavorable comparative advantage and resulting regional disparity.

41. Orderly marketing based on the principle of equity of opportunity in marketing and price return cannot be enhanced by acquiescence to the exploitive forces that prey on the productivity of primary grain producers. There is ample evidence of this in Canada's feed grains policy of the past twelve years.

42. It may be considered that the current absence of surplus grain on farms makes the discussion of this question less than academic. However, the problems of the past continue to potentially exist for the future and should now be remedied.

43. We request your support for our national grains policy by initiating actions to have the marketing of corn and soyabeans integrated into a national marketing structure which could bring equity in marketing opportunity and pricing to all producers through an integrated Canadian Grains Board.

#### DAIRY POLICIES

44. Ontario continues to have fewer dairy producers. The Census of Canada for 1971 reported 17,718 dairy farmers in this province compared with 21,159 in 1966. Under existing policies the number of dairy producers in this province is destined to continue to decline.





45. Although fewer in number, dairy producers in 1972 produced 6,379,080 pounds butterfat, an increase of 3.78 per cent over the year previous. Farm cash receipts from dairy products and dairy supplementary payments totalled \$325.1 million or 20% of total provincial farm income in 1972.
46. Rising costs continue to outstrip rising income for dairy farmers. The Canadian Livestock Feed Board quotes the Toronto wholesale selling price for 44% protein soyabean meal on May 18, 1973, at \$335.00 per ton, an increase of \$29.00 per ton from the week previous; \$104.00 per ton from the month previous and \$227.00 per ton more than the price of one year ago.
47. Similarly feed grain prices have risen drastically. The Prescott wholesale selling prices of feed grains as of May 18 for 1 feed oats was \$71.01 per ton compared with \$42.26 per ton the year previous and #1 feed barley was quoted at \$71.66 per ton compared with \$46.34 a year earlier. Canadian #3 C.E. corn at Chatham was \$71.43 per ton compared with \$43.93 per ton on the same date in 1972. Dairy producers cannot indefinitely continue in business under this kind of economic pressure.
48. The dairy policy of the National Farmers Union currently calls for farmers to receive an on-farm average price of \$7.00/cwt. for manufacturing milk and \$8.00/cwt. on fluid milk. At the present rate of cost increase, these price levels are rapidly becoming obsolete. We recommend immediate action be taken to implement these price levels.
49. The increases in milk prices which producers have received in recent months have been more than obliterated by these incredible feed cost increases.
50. We must observe further that on at least two recent occasions when fluid milk producers were granted price increases, the increases passed on by processors to the consumer level were much more than was granted dairy farmers by the





Ontario Milk Commission.

51. In December, 1972, producers were granted only .875¢ per quart or 35¢ per cwt. by the Ontario Milk Commission of a 57¢ per cwt. increase recommended by the Ontario Milk Marketing Board. Consumer cost for milk rose by 2-3 cents per quart.

52. In April, 1973, a further 1 1/3 cents per quart or 50¢ per cwt. increase to the farmer was granted which was again reflected in a 2¢ per quart retail increase.

53. The wholesale and retail prices for milk should, we believe, be equally controlled for processors and retail outlets as is the farm price. We suggest a public audit of milk processor-distributor accounts before any further consumer price increases for milk are allowed.

54. Farmers in general and dairy farmers in particular must be concerned over the relentless drift toward growing monopoly control in our dairy industry. Certainly this concern must be shared by governments as well.

55. There has been a tremendous contraction in the number of cheese and dairy plants in this province. This is not to argue that some rationalization in the industry was not warranted for the sake of improving the quality standards and better utilizing plant capacities. However, what has materialized appears principally to be newly located plant capacity under corporate ownership replacing and exceeding old plant capacity, much of it producer owned.

56. Under the present oligopolistic market structure, an institution such as the Belleville Cheese Exchange is obsolete. No longer does it truly bring together buyer and seller in a climate of free competitive bidding based on pure market forces of supply and demand considerations.



57. What, for example, is the incentive for Kraftco to bid competitively against other buyers for cheese at Belleville when that corporation has a contract to purchase from Granby Co-op its total annual production of 47 million pounds? This, after all, represents well over 50% of Kraftco's total market requirements.

58. We have appended to this submission the dairy policy of the National Farmers Union as adopted by our Third Annual Convention in December, 1972.

59. We draw to your attention our recommendation in Section 9 (a). It is our view that the best interests of farmers cannot be served by a fragmented market structure which permits large dominant corporations such as Kraftco to play off the interests of farmers in one region of Canada against the interests of farmers elsewhere.

60. The need for a single selling agency for all dairy products in Canada is essential. We recommend that the Canadian Dairy Commission be reorganized and empowered to become a National Marketing Agency for dairy products. Its new role would replace the Belleville Cheese Exchange through the development of an aggressive sales department for both the domestic and export markets. We urge your support for this recommendation by agreeing to initiate action to transfer the necessary marketing powers to the national agency.

61. A major goal of large food corporations is to gain an increasing amount of market control in order to secure their investment and profit positions.

62. In the dairy industry, the concept of allowing large corporations to purchase and transfer plant quotas of smaller dairy processing operations is unquestionably encouraging the development of greater monopoly control in the food industry. We respectfully point out that bigness in the dairy industry does not necessarily mean that either farmers or consumers will benefit.





63. Insofar as existing government policies permit this unchecked drift toward greater monopoly control, this situation will in future accelerate unless your government is prepared to alter the existing ground rules in the public interest.
64. Farmers, after all, accept the concept of having upper limits placed on their levels of production. The same should apply to corporate industrial operations.
65. We draw to your attention resolutions outlined in the dairy policy statement which constitutes appendix A of this submission.
66. There is growing interest among producers in meeting specialty market demands for raw milk of cow and goat origin. We request your consideration toward the passage of special legislation which will permit the licensing of certified raw milk sales.
67. The testing of milk samples is a matter of concern spelled out in two resolutions on page 4 of Appendix A. We request your consideration of the suggestions these resolutions contain.

#### EGG MARKETING

68. The recent dispute between the province of British Columbia and a private egg dealer from Manitoba over the interprovincial movement of eggs illustrates a basic and fundamental weakness in national marketing legislation.
69. This type of dispute is inherent in any plan which permits provincial agencies to function independently of one another in the establishment of minimum prices.
70. In our view if marketing orders for interprovincial movement were issued by the national agency it would encourage a more stable and uniform level of prices for eggs at the producer level rather than create a situation which causes loss to producers elsewhere and will inevitably lead to vertical integration.





71. We recommend all provinces examine objectively the present provisions of Bill C-176 with a view toward recommending fundamental changes in the Act and restructuring agency powers to avoid future problems.
72. We also recommend that your government introduce legislation prohibiting industrial corporations from controlling growing quotas or entering directly into the primary production of food.
73. We acknowledge the principle of non-negotiable quotas being incorporated into the Ontario Egg Marketing Plan.
74. We believe this principle should be included in all plans and those presently in operation should be altered to assure against trading in quotas. We would suggest that quotas should remain the property of the Agency, and those who did not buy them have no legitimate claim to be paid for them. On the other hand those farmers who did buy them should be remunerated for them.
75. Other matters to which we request your consideration for incorporation into the OEMP include:
- a) Maximum egg production quota be set at 300,000 dozen annually by any one individual or corporate producer.
  - b) That producers with 500 laying hens or less be required to register and that they be eligible for exemption from marketing regulations at their own option but that they retain the privilege of voting on decisions of the regulating body.
  - c) That only the three top grades, "A" large, "A" medium and "A" small be permitted to be sold for table use.
  - d) That there be safeguards against price discrepancies to small producer shipments.



## CATTLE CHECK-OFF

76. We note from news media reports that the Ontario Beef Improvement Association is seeking an increase in their check-off on live cattle sales from 10 to 15 cents. We wish to reiterate our previous requests that the entire check-off be discontinued.
77. The OBIA represents a small minority of beef producers and no vote was held to attain the permission of beef producers for this program.
78. We object in principle having money collected by marketing boards for the purpose of being used to affiliate farmers into the OFA, a concept of farm organization which was rejected by the GFO plebiscite. We urge this government to put an immediate halt to this practice, as it amounts to nothing less than conscripting NFU members into an organization to which they do not wish to belong.

## LAND USE

79. In an earlier section we have made reference to the terms of reference relating to the Advisory Committee on Farm Classification and have expressed the view that the scope it covers may be too limited. We anticipate that real estate developers and speculators may sense government concern over the land use issue which is receiving national attention. For this reason we have suggested that if the government intends to take broader policy action, a land freeze be immediately implemented.
80. The NFU recognizes the need for proper land use planning, particularly as it relates to farming. Every year we see more and more of our prime farm land taken over by real estate speculators without any regard for what is happening to the farming community.





81. Farmers are feeling the hardships that result when a housing project or industrial development suddenly springs up in their community. Their taxes escalate as more services such as water supply, educational facilities, police protection, garbage disposal, etc., are required to service this development.
82. Pollution becomes a real problem as suburban residents and farmers find themselves next door to one another. The newly arrived suburban dweller quite often finds the odors from livestock operations quite objectionable, while the farmer may find the stream used to supply water for his livestock carrying industrial waste and no longer fit for his animals.
83. Recent flooding of residential subdivisions on the south shore of Lake St. Clair and the north shore of Lake Erie are typical examples of improper land use. Low-lying areas were subdivided and lots sold to unexpected victims, lured by the beauty of having a lot on the water, only to find after they had built their homes and put themselves under heavy financial obligation, that they did not have a home by the water, but rather a home in the water.
84. We put forward these further recommendations for your consideration:
- a) That all land in Ontario be zoned for present and future use.
  - b) That land zoned for agriculture be sub-zoned for particular use  
e.g., cash crop, livestock, poultry, etc.
  - c) Land zoned for agriculture be assessed according to its  
productivity for farming and assessment not based on sales  
to individuals, who in many cases are not making their living  
on the farm, but have purchased the farm to acquire a home in  
the country and are holding the land for future resale to developers.





- d) When land zoned for agricultural purposes is needed for development, it be purchased exclusively by a crown agency of the provincial government or by the local municipality involved, and the farmer receive full value of the land for farming purposes plus adequate compensation for all inconveniences that may occur to him. The present price of lots in metropolitan Toronto related to the price the farmer received for land when it was originally removed from agriculture makes it very clear that we can no longer entrust land assembly to real estate brokers and development companies. Neither the interest of the farmer or the suburban dweller are best served by land speculators.
- e) Land zoned for agricultural use for livestock and poultry must be given special consideration. Livestock and poultry farmers who follow accepted husbandry practices shall not be held responsible for odors which occur at certain times. The operator must have available enough acreage either owned or on long-term lease in the area zoned for livestock and poultry to spread the manure from the entire operation. The concentration of large numbers of poultry and livestock on small acreages be forbidden.
- f) If development is desirable in areas where livestock or poultry operations presently exist, the existing operation be given consideration. If it is necessary to cease or curtail the present livestock or poultry operation, the operator receive adequate compensation to cover present and future losses that may occur.



- g) Land that may be subject to flooding due to high lake levels be zoned recreational except in the case of existing marshland that has been dyked and drained and is now used for specialized farm production.
- h) We repeat what we have said in former briefs about the need to legislate against vertical integration. Any land use program would be incomplete with such provisions.

### WASTE DISPOSAL

85. An increasing amount of controversy is developing across the country as urban municipalities undertake to develop land fill sites for the purpose of garbage disposal. We cite as an example the dialogue of last winter when it was reported that Metro Toronto had signed an agreement with CPR to dispose of garbage and were looking at a site near Harriston.
86. While this may have been advantageous for a few farmers wishing to dispose of their land, it was clearly a profit-making venture for CPR showing no regard for damage to the environment, the community or the permanent destruction of farm land for food production.
87. We view with alarm the opportunities afforded multi-national corporations to profiteer from this type of situation. Legislation is necessary to protect communities and farm land from this type of practice.
88. The prospects for the future survival of our society are dim unless adequate measures are taken immediately to remove the cause of the problem rather than treating its effect.
89. We refer you to the preliminary report now published by researchers from the Massachusetts Institute of Technology on behalf of the Club of Rome, entitled





"Limits to Growth" and raise the question: What is government's responsibility here?

90. We propose legislation requiring recycling is past due. The decision for this should not be based only on whether or not it is profitable. It has become a matter of necessity.

### TRADE NEGOTIATIONS

91. International negotiations in respect to the General Agreement on Tariffs and Trade are soon to take place.

92. Past practices and current policy of the Federal Government in respect to strategies it can be expected to pursue in new negotiations would indicate that freer access will be offered other countries in respect to food imports to this country in return for concessions to the industrial sector on items entering into export. Finance Minister John Turner's recent budget exposes this approach.

93. This course, consistent with a federal cheap food policy at the farm level, can lead to still heavier pressures on primary producers for expanded production on narrower margins of return. Consequently more farmers can be expected to face the possibility of bankruptcy.

94. We urge your government use its offices to remind the federal government of the importance of farmers to the welfare of this province and that it refrain from bargaining away their economic future as a sacrifice to secondary industrial advantage dominated by multinational foreign corporations which are allied to the objectives of improving the United States balance of payment deficit.

### EDUCATION GRANT

95. Several weeks ago we approached the Ontario Government through the Hon. A.B.R. Lawrence to request assistance in the NFU Education Program.





96. The NFU, now organized in several provinces, is undertaking to develop programs which will result in bringing the people of Canada closer together with a better understanding of and appreciation for each other's areas of concern.
97. One of the areas needing special attention is in the rural communities along the lines of skill development as it pertains to leadership and policy development.
98. In our 1972 program, Prince Edward Island, Manitoba, Saskatchewan, Alberta and British Columbia extended financial assistance. We regret Ontario was the only large province in Canada, where NFU is organizing, that did not extend comparable assistance.
99. Our 1973 program is now being undertaken. We have had no response to date from Mr. Lawrence or the Ontario government regarding this request, even though it was indicated we would have a reply forthwith.
100. We repeat the need we see for this program and ask for your favorable consideration.

#### BELL TELEPHONE

101. On March 30, 1973, the Canadian Transport Commission granted Bell Canada a telephone charge rate increase in spite of a long and healthy record of profits which indicates that Bell's profits have risen every year in the past ten years (with the exception of a slight decrease in 1968).
102. The levels of profits of this monopolistic corporation after taxes, including deferred taxes, stood at \$68.25 million in 1963 and have increased to \$164.75 million in 1972. By the end of 1972, Bell's deferred taxes stood at \$322 million. This, in effect, represents an interest-free loan by the people of Canada to Bell in order that it can continue to up-date and render prematurely obsolete its equipment and



plant, thereby avoiding payment of still more taxes.

103. Under these circumstances Bell can be accused not only of undue profiteering but of being a substantial contributor to inflation as well.

104. The Parliament of Canada on April 2, 1973, debated the decision of the CTC to allow increases to Bell on the grounds that it was "unacceptable and contrary to the public interest" and on April 6 an announcement was made by the Hon. Gerard Pelletier, Minister of Communications, that the decision of the CTC was suspended pending clarification and review.

105. In view of the exploitive manner in which Bell Canada has dealt with the citizens of this province in applying for and continuing to seek ever more unconscionable profits and rate increases, we recommend that Bell Canada's operations in Ontario be immediately placed under public ownership and operated as a public utility.

#### ELECTION EXPENSES

106. On Tuesday, April 3, 1973, a Southam News Services story appeared in daily papers which said in part -

"For the first time, the federal government has given Canadians a glimpse of the hitherto secret world of election finances.

"Figures supplied to Parliament reveal that in 1970 corporate political donations totalled a hefty \$5 million.

"The statistics also indicate strongly that foreign-controlled firms play a significant role as contributors to political parties in Canada.

"Non-Canadian companies admitted giving \$1.45 million to politicians in 1970 -- a non-election year on the federal political scene."

107. We take strong exception to the policy-making machinery of our country being run by this type of bribery, and influence peddling, and even greater





exception to governments at all levels providing protection to these corporations by not requiring them to be identified.

108. This arouses suspicion as to who contributed what to whom. We believe it is not in the best interest of the nation to allow this practice to continue and for government to continue to protect it.

109. It has long been our opinion that election campaigns should be financed on an equitable basis from the public treasury in order that the stigma of patronage by governments toward large corporations could be overcome.

110. In an address to the National Press Club in Ottawa on May 23, 1973, former Liberal cabinet minister J. W. Pickersgill gave support to this position.

111. This approach to election financing would be, in our view, more desirable than the present methods employed by parties soliciting election funds.

112. If you agree, we request your support for public financing of election expenses by conveying the views of your government to the federal government and that similar legislation be considered for the province of Ontario.

All of which is respectfully submitted by

THE NATIONAL FARMERS UNION.



## APPENDIX A

### DAIRY

#### Basic Principles

The basic principles of the National Farmers Union policy shall be:

- a) It is important that Canadian Dairy Policy be as simple as possible and easily understood by all farmers.
- b) Recognition of the importance of maintaining a sound dairy industry in Canada, capable of returning to the producer-farmer a price for his product which will return costs of production and a fair return for his capital investment, management and labor skills.
- c) That the government of Canada, through its agency, the Canadian Dairy Commission, pursue a more positive and aggressive policy in respect to accepting the principle that Canadian dairy producers must have priority for the production and sale of dairy products consumed on the domestic market as well as in the development of new and expanding outlets for Canadian dairy products through commercial exports, food aid and social programs at home and abroad. It must also be recognized that it is in the public interest to have a reasonable inventory of Dairy Products at all times. The cost of maintaining this inventory should be the responsibility of the government.
- d) Policy should be to stabilize the dairy industry in Canada with a five-year forecast of requirements to enable farmers to plan production patterns.
- e) Due to present butter shortage an effort should be made to stimulate cream production, with extra subsidy as necessary, in order to bring about equilibrium in terms of butter and skim milk production and consumption.

This program need not cost any more since the saving on exporting skim milk powder may well cover added cream subsidization costs.

#### Policy Proposals:

1. That the objective of the National Farmers Union be to return to fluid milk producers in all regions of Canada a minimum basic on-farm price of \$8 per cwt.
2. To control provincial manipulation it is important that the price for industrial milk be \$7 on-farm, across Canada.
3. That cream producers who keep the skim milk at home receive a price equal to the industrial milk shipper minus the allowance of \$1 per cwt. for the skim milk from every 3 1/2 pounds of butterfat.

\*\*Note: These prices mean net to the farmer after transportation costs are paid.





4. That to the extent the above measures fail to fulfill domestic and export milk requirements, the CDC reduce on a pro-rata basis the \$1.50 deduction on over-quota milk. At the same time increasing the subsidy eligibility quota on the same basis until the subsidy quota and the market share quota are the same.
5. That federal dairy subsidy apply on market share quota.
6. That under no circumstances, the 700,000 pound subsidy or market share quota be expanded, including the aggregate fluid and market share quotas of fluid milk shippers.
7. We acknowledge the action taken by the CDC to reverse and balance the regional disparity that existed in the allocation of subsidy eligibility quotas. We expect that they will maintain the objective of uniformity in the National Dairy Policy.
8. That the federal government be called upon to encourage the expansion of milk production in Canada for the purpose of utilizing dairy products as an important instrument in social development for such purposes as:
  - a) Develop and implement immediately a comprehensive national school milk program;
  - b) Develop a milk program for supplementing the diet of low income groups in our society;
  - c) Expand our food aid contributions in general and milk specifically for nutrition and hunger relief programs of FAO in addition to the development of bilateral aid programs for minimum periods of 5 years with developing nations who are deficient in milk production.
9. That the Canadian Dairy Commission be called upon to:
  - a) Form an aggressive sales department to maintain and promote the consumption of dairy products in both domestic and foreign markets. And to take over the function of the Belleville Cheese Exchange and in fact become a National Marketing Agency, as provided for under Bill C-176.
  - b) Assist in the development and promotion of new dairy products, e.g., national school milk program.
  - c) Make Canadian-produced surplus, if any, powdered milk available for calf feed to milk quota holders at world price based on one pound per hundred pounds of quota milk equivalent.



- d) Develop stringent controls to prevent large dairy corporations from gaining market control, or reverse the present trend of large corporations from gaining control.
  - e) Adopt a mandatory, official Canadian milk and cream testing procedure which will accurately reflect butterfat and solid content in milk and cream.
  - f) To promote the availability and use of Canadian natural cheeses at all Canadian Embassies, and other government depots and supply contracts.
10. That the current boycott of Kraft products be maintained as a means of informing farmers and the public at large of the monopolistic position this international giant is assuming in the control of the cheese industry and other dairy products, and Kraftco's arrogant attitude towards producers of the raw product and their organization, and to put the NFU in a bargaining position.
11. The present market share system provides the necessary form of supply management to prevent over-production providing imports are similarly controlled, e.g., import quotas formed on the same basis as the Canadian dairy producers are now operating under.

### Dairy Policy Resolutions

#### Market Share Quota

WHEREAS milk market share quota is being assigned to producers at no cost, and

WHEREAS capital gains tax will be levied when quotas are sold, and

WHEREAS young farmers who wish to become dairy producers would be disadvantaged by having to purchase market share quota,

THEREFORE BE IT RESOLVED that market share quota held in reserve be reassigned to producers who apply but that under no circumstances should said quota be assigned to a producer whose aggregate fluid and/or market share quota totals more than 700,000 lbs. milk or butterfat equivalent.

#### Certified Raw Milk

WHEREAS a considerable amount of the milk offered in Canadian stores has preservatives and chemicals added to extend shelf life, and

WHEREAS the present health regulations are such that they are much stricter at the farm level than at the store level, and

WHEREAS there is an increasing concern with making available good farm food in its natural state,





THEREFORE BE IT RESOLVED that the National Farmers Union press to have legislation passed to allow certified raw milk, supplied from health-inspected farms, available for sale in urban areas.

#### Glass Test Bottles

WHEREAS the milk sample that the milk transport driver takes at the farm is used to determine our butterfat test and our grade, which in essence is our income and it is very important to the dairy farmer that this sample be taken very good care of at all times, and

WHEREAS the test bottles now being used are plastic with a push-on lid which is not airtight and we have found numerous bottles with a crack across the bottom, and

WHEREAS this bottle cannot help but let water seep into our milk sample to the expense of the farmer,

(e.g. One farmer got a test of 2.1 and was slated to be cut off because they found water in his milk sample. Another sample was taken in a new bottle and tested 7.2 and no water was found in the sample but his milk cheque was calculated on the 2.1 test.)

THEREFORE BE IT RESOLVED that our milk samples be taken and kept in a glass bottle with a screw top, filled to capacity to avoid condensation and be refrigerated at all times, and

BE IT FURTHER RESOLVED that the NFU make sure this resolution is enforced.

#### Milk Samples to Guelph

WHEREAS there have been numerous reports coming from farmers which have been verified by the Transport Drivers that our milk samples are taken to the processors by the Milk Transport Drivers before they are sent to Guelph, and

WHEREAS this, in our opinion, gives the processor ample time to tamper with our samples to their benefit,

THEREFORE BE IT RESOLVED that in Ontario our milk samples go directly to Guelph to be tested or have our milk tested at the farm in the same way the dairy herd improvement testing is done, and

BE IT FURTHER RESOLVED that the NFU get the assurance from the Dairy Commission that this resolution be carried out.







